

SENATE BILL 726

A3, K3

5lr3268

By: **Senator Ellis**

Introduced and read first time: January 27, 2025

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Cannabis Licensees – Bona Fide Labor Organizations and Labor Peace**
3 **Agreements**

4 FOR the purpose of requiring the Maryland Cannabis Administration to consider certain
5 factors in determining if a labor organization is a “bona fide labor organization”;
6 requiring a cannabis licensee, under certain circumstances, to execute a certain labor
7 peace agreement and to maintain and abide by the agreement; authorizing a certain
8 labor organization to file a protest with the Administration against the renewal of a
9 cannabis license; and generally relating to cannabis licenses, labor peace
10 agreements, and bona fide labor organizations.

11 BY repealing and reenacting, without amendments,
12 Article – Alcoholic Beverages and Cannabis
13 Section 36–101(a), (c), and (h) and 36–401(a) and (b)(1)(ii)
14 Annotated Code of Maryland
15 (2024 Replacement Volume)

16 BY adding to
17 Article – Alcoholic Beverages and Cannabis
18 Section 36–101(c–1) and (w–1), 36–202(a)(9), and 36–401(b)(1)(vi) and (j)
19 Annotated Code of Maryland
20 (2024 Replacement Volume)

21 BY repealing and reenacting, with amendments,
22 Article – Alcoholic Beverages and Cannabis
23 Section 36–202(a)(9) and (10), 36–401(b)(1)(iv) and (v), and 36–411(a)
24 Annotated Code of Maryland
25 (2024 Replacement Volume)

26 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
27 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **Article – Alcoholic Beverages and Cannabis**

2 36–101.

3 (a) In this title the following words have the meanings indicated.

4 (c) “Administration” means the Maryland Cannabis Administration established
5 under this title.

6 **(C–1) “BONA FIDE LABOR ORGANIZATION” MEANS A LABOR ORGANIZATION**
7 **THAT COMPLIES WITH 29 U.S.C. § 431 AND IS ACTIVELY SPENDING RESOURCES TO**
8 **ORGANIZE EMPLOYEES OF A CANNABIS LICENSEE FOR THE PURPOSES OF**
9 **ADVOCATING FOR IMPROVED WORKING CONDITIONS.**

10 (h) “Cannabis licensee” means a business licensed by the Administration to
11 operate in the cannabis industry.

12 **(W–1) “LABOR PEACE AGREEMENT” MEANS AN AGREEMENT BETWEEN A BONA**
13 **FIDE LABOR ORGANIZATION AND A CANNABIS LICENSEE THAT PROHIBITS THE**
14 **LABOR ORGANIZATION FROM ENGAGING IN PICKETING, WORK STOPPAGES, OR**
15 **BOYCOTTS AGAINST THE LICENSED ENTITY.**

16 36–202.

17 (a) The Administration shall:

18 **(9) WHEN DETERMINING IF A LABOR ORGANIZATION IS A BONA FIDE**
19 **LABOR ORGANIZATION, CONSIDER WHETHER THE LABOR ORGANIZATION:**

20 **(I) IS THE BARGAINING REPRESENTATIVE FOR EMPLOYEES OF**
21 **A CANNABIS LICENSEE;**

22 **(II) IS A PARTY TO A BARGAINING AGREEMENT WITH A**
23 **CANNABIS LICENSEE;**

24 **(III) IS SPENDING SIGNIFICANT RESOURCES, INCLUDING**
25 **ASSIGNING PAID STAFF, TO ACTIVELY ORGANIZE EMPLOYEES OF A CANNABIS**
26 **LICENSEE;**

27 **(IV) HAS, WITHIN THE PREVIOUS 6 MONTHS, FILED LABOR**
28 **GRIEVANCES AGAINST A CANNABIS LICENSEE;**

(V) HAS, WITHIN THE PREVIOUS 2 YEARS, ENGAGED IN PICKETING, STRIKING, PUBLICLY THREATENING TO PICKET OR STRIKE, OR PUBLICLY CALLING FOR CONSUMER BOYCOTTS AGAINST A CANNABIS LICENSEE;

(VI) IS BASED IN THE STATE OR MAINTAINS A PERMANENT STAFF IN THE STATE; AND

(VII) IS AFFILIATED WITH A NATIONAL OR REGIONAL LABOR COUNCIL THAT COVERS A REGION OF THE STATE;

[(9)] (10) adopt regulations necessary to carry out its duties under this title; and

[(10)] (11) perform any other power authorized or duty required under this title or any other provision of State law.

36–401.

(a) (1) A person must obtain a cannabis license issued by the Administration to operate a cannabis business.

(2) A cannabis license issued under this subtitle:

(i) authorizes the holder of the license to operate a medical and adult–use cannabis business;

(ii) is valid for 5 years on initial licensure and 5 years on renewal; and

(iii) may be transferred only in accordance with Subtitle 5 of this title.

(b) (1) The Administration shall:

(ii) on or before July 1, 2023, convert licenses that were issued to medical cannabis growers, processors, and dispensaries, including those businesses preapproved for licensure, to licenses to operate a medical and adult–use cannabis business if:

1. a conversion fee is paid in accordance with § 36–403 of this subtitle; and

2. the business complies with the ownership restrictions under subsection (e) of this section;

(iv) issue dispensary licenses in a manner that encourages a balanced geographic distribution based on population and market demand within a specific county, as well as cross-jurisdictional market demand; [and]

(v) adopt regulations requiring licensees whose licenses were converted by the Administration under item (ii) of this paragraph to reserve a specified amount of cannabis for social equity licensees; AND

(VI) ADOPT REGULATIONS IMPLEMENTING THE REQUIREMENTS UNDER SUBSECTION (J) OF THIS SECTION REGARDING LABOR PEACE AGREEMENTS.

(J) PRIOR TO THE RENEWAL OF A CANNABIS LICENSEE'S LICENSE FOR THE FIRST TIME UNDER THIS SUBTITLE, INCLUDING A LICENSE CONVERTED UNDER SUBSECTION (B)(1)(II) OF THIS SECTION, THE CANNABIS LICENSEE SHALL EXECUTE A LABOR PEACE AGREEMENT AND, AFTER ITS LICENSE IS RENEWED, SHALL MAINTAIN AND ABIDE BY THE LABOR PEACE AGREEMENT AS A CONDITION OF LICENSURE.

36–411.

(a) (1) A protest against a license renewal may be filed with the Administration by:

(I) at least 10 individuals who are:

[(i)] 1. residents, commercial tenants who are not holders of or applicants for a license, or real estate owners; and

[(ii)] 2. located within 1,000 feet of the licensed premises; OR

(II) A BONA FIDE LABOR ORGANIZATION.

(2) A protest against a license renewal shall:

(i) be on the basis of:

1. a violation of this title;

2. a violation of civil or criminal law;

3. conduct by a licensee that creates or maintains conditions that allow other individuals to act in a manner that disturbs the public peace, including:

A. obstruction of public rights-of-way by unruly crowds;

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2025.